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**U.S. CHARGES 12 ADDITIONAL PARTICIPANTS IN \$600 MILLION
GLOBAL METALS-TRADING BANK FRAUD AND MONEY LAUNDERING SCHEME**

JAMES B. COMEY, the United States Attorney for the Southern District of New York, and KEVIN P. DONOVAN, the Assistant Director In Charge of the New York Field Office of the FBI, announced today the arrests of HENRY CHU, JOSIELYNN SALUMBIDES, a/k/a "Lynn Salumbides," NAINA CHITRODA, UMESH MEISURIA, PRAVEEN SHARMA, SANJAY ROHIRA, ASHOK SHAH, SHAZIA SATTAR, a/k/a "Shazi Sattar," KAUSHIK AMIN and AMIT NANGIA for their alleged participation in a sophisticated international scheme to defraud banks worldwide of more than \$600 million and to launder the fraudulently obtained money, in connection with sham brokered metals transactions.

These defendants, together with defendants NARENDRA KUMAR RASTOGI, a/k/a "Narendra Kumar," GAYA GAYATRINATH, MANOJ NIJHAWAN, NIKHIL RASTOGI and UDHAY SHANKAR BALAKRISHNA, a/k/a "Udhay Shankar," are charged in a Superseding Indictment unsealed today in Manhattan federal court. The Superseding Indictment

charges the defendants with conspiracy to commit bank fraud, mail fraud, wire fraud and conspiracy to commit money laundering.

NARENDRA KUMAR RASTOGI, SALUMBIDES and AMIN also are charged with substantive counts of bank fraud.

According to the Superseding Indictment, the fraudulent scheme was conducted through Allied Deals Inc., Hampton Lane Inc., and SAI Commodity, Inc. (collectively, the "Companies"), a group of metal trading companies run by NARENDRA KUMAR RASTOGI and co-conspirators in Piscataway, New Jersey; RBG Resources, PLC (formerly known as Allied Deals PLC), a metal trading company owned and controlled by RASTOGI's brother, Virendra Rastogi, in London, England; and a group of sham customers - both in the United States and abroad - some of which purportedly were owned or operated by SHAH, SHARMA, ROHIRA, SALUMBIDES, NIKHIL RASTOGI, SATTAR, AMIN, CHU and others.

As is detailed further in the Superseding Indictment, the defendants and their co-conspirators are charged with fraudulently obtaining hundreds of millions of dollars in loans from a number of major banks by creating and controlling a large number of sham Companies, falsely representing to the banks that these sham companies were engaged in real, arms-length metal transactions brokered by the companies, and using those sham transactions to obtain loans from the victim banks. It is further alleged that the defendants and their co-conspirators

furthered the bank fraud/money laundering scheme by using loan proceeds obtained from one bank to make payments on debts owed on loans with other victim banks.

The Superseding Indictment charges that, as part of the scheme, the defendants and their co-conspirators recruited individuals to form nominee companies and pose as buyers or sellers of metal. These nominee companies - which the defendants falsely represented were unaffiliated with the Companies - were then falsely represented by the defendants and their co-conspirators to be "customers" of the Companies who were engaged in arms-length metal transactions. These sham metal transactions served as the bases for obtaining fraudulent loans from the Victim Banks. According to the Superseding Indictment, to perpetuate the appearance that the sham companies were bona fide customers, the defendants provided some of the Victim Banks with cell phone numbers which they represented to be those of the metal customers. In reality, those were numbers belonging to one or more of the defendants, allegedly posing as one of the Companies' customers. The Superseding Indictment alleges that several of the defendants assisted the scheme by, among other things, posing as representatives of the Companies' sham domestic customers.

According to the Superseding Indictment, in the fall of 2001, the Companies failed to make a number of loan payments to

the Victim Banks at or around their due dates. In an effort to conceal the scheme, NARENDRA KUMAR RASTOGI allegedly designed a scheme to avoid detection and perpetuate and even expand the scheme by fraudulently obtaining additional loans from Victim Banks. The Superseding Indictment also alleges that, in late 2001 and early 2002, nearly all of the Victim Banks stopped receiving loan payments from the Companies and/or their purported customers (the purported metal buyers). When the Victim Banks started investigating the loan defaults, the defendants and their co-conspirators undertook a series of additional steps to conceal the fraud and continue the scheme.

The Superseding Indictment alleges that the losses to Victim Banks as a result of the defendants' fraud scheme is approximately \$600 million.

The arrests today follow the arrests in May 2002 of defendants NARENDRA KUMAR RASTOGI, MANOJ NIJHAWAN, UDHAY SHANKAR BALAKRISHNA and co-conspirators Anil Anand and Jaspreet Basra, a/k/a "Soniya Basra".

The defendants arrested today - CHU, SALUMBIDES, CHITRODA, MEISURIA, SHARMA, ROHIRA, SATTAR, AMIN and NANGIA - were presented today in Manhattan federal court before United States Magistrate Judge RONALD L. ELLIS. These defendants are also scheduled to appear before the judge assigned to the case, United States District Judge RICHARD M. BERMAN, on Wednesday,

April 30, 2003, at 2:30 P.M.

ASHOK SHAH was arrested late this afternoon by the FBI in California, and is expected to make his first court appearance later today.

Arrest warrants have been issued for three of the defendants, GAYA GAYATRINATH, ASHOK SHAH, and NIKHIL RASTOGI, who remain at large.

If convicted, the defendants each face a maximum sentence on the count of conspiracy to commit bank fraud, wire fraud and mail fraud of 5 years in prison and a fine of \$250,000. The defendants each face a maximum sentence of 20 years in prison and a fine of \$500,000. RASTOGI faces a total maximum sentence of 840 years in prison and a fine of \$28 million. SALUMBIDES faces a maximum of 30 years in prison and a \$1 million fine. AMIN faces 120 years in prison and a \$4 million fine.

Mr. COMEY praised the investigative efforts of the FBI and the assistance of the Federal Reserve Bank of New York and the Serious Fraud Office, London.

Mr. COMEY said the investigation is continuing.

Assistant United States Attorneys MARCUS A. ASNER and DANIEL MARGOLIS are in charge of the prosecution.

The charges contained in the Superseding Indictment are merely accusations, and the defendants are presumed innocent

unless and until proven guilty.

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